FC 4420

SECURITY GRADING
N.B. The grading of this file must be the same as that of the highest graded document contained in it.
UPGRADE AS NECESSARY USING APPROPRIATELY COLOURED LABELS

UNCLASSIFIED

Contents checked for transfer to DRO
(Sgd.) .....
Date .....

YEAR STAMP

H.M. DIPLOMATIC SERVICE

DEPT. or POST

DO NOT RETAIN FILES AND PAPERS UNNECESSARILY
RETURN THEM TO REGISTRY FOR B.U. Or P.A.

FILE No. .....(Part.....)

TITLE: .....

.....

PART.....

FILE No.....

REFER TO			REFER TO			REFER TO		
NAME (and dept, where necessary)	TO SEE:	DATE	NAME (and dept, where necessary)	TO SEE:	DATE	NAME (and dept, where necessary)	TO SEE:	DATE

CO 882/33

Registry Address

SECURITY GRADING
N.B. The grading of this file must be the same as that of the highest graded document contained in it.
UPGRADE AS NECESSARY USING APPROPRIATELY COLOURED LABELS

UNCLASSIFIED

YEAR STAMP

Stock No.FC4420

USEFUL INFORMATION RELATED TO CONTENTS OF THIS FILE	

LAST FILE .....

NEXT FILE .....

OTHER RELATED FILES .....

.....

FOREIGN AND COMMONWEALTH OFFICE DIPLOMATIC REPORT No. 16/70

JEM 1/1 *Africa and Economic Distribution*

MAURITIUS
13 January, 1970

MAURITIUS: ANNUAL REVIEW FOR 1969

The British High Commissioner in Mauritius to the Secretary of State for Foreign and Commonwealth Affairs
(Received 13 January)

SUMMARY

Formation of the Coalition Government of National Unity. (Paragraph 2.)

2. Emergence of the younger generation as an uncertain force in politics. (Paragraph 3.)

3. Visitors. (Paragraph 4.)

4. Soviet activities. (Paragraph 5.)

5. Mauritius in the international field and Ministerial peregrinations. (Paragraphs 6–7.)

6. Sugar, tea and new secondary industries. (Paragraphs 8–10.)

7. Little progress with French-inspired idea of Economic Community of the Mascareignes. (Paragraph 11.)

8. Expansion of air services: Messageries Maritimes. (Paragraph 12.)

9. British aid. (Paragraphs 13–17.)

10. Other aid. (Paragraph 18.)

11. Conclusion: improved short-term prospects of political stability; sensible choices on broad economic front. (Paragraph 9.)

(Confidential) *Port Louis,*
Sir, *5 January, 1970.*

I have the honour to submit in this despatch my review of events in Mauritius during 1969. A calendar of the principal events is attached.

Political

2. The State of Emergency declared in January 1968 remains in force although there have been no " communal " incidents since June and even these were part of the long manoeuvrings which preceded the formation of the " Government of National Unity " at the beginning of December. As the (agreed) Constitutional amendments which were necessary to the formation of the Grand Coalition may well prove to have been the first decisive steps in the direction of a one-party State,

20729—15 10440—14 A

Mauritius 1

no attempt is made here to assess in any detail the prospects of this development. Throughout the year, however, the determination of the Prime Minister to avoid any controversy likely to prejudice the achievement of the coalition has precluded public debate on the most important issues of economic and international policy, inhibited decision in fields where the time left for Mauritius to avoid disaster was running out, and, particularly in the international field, led to a number of counter-productive essays at reconciling the irreconcilable. If these typical Mauritian weaknesses—a distaste for decision and fear of debate—are encouraged by the elimination of effective Parliamentary Opposition in a Legislature whose life has been extended to 1976, there is a serious danger of discontent finding no channel of expression or means of redress except through extra-parliamentary channels.

3. One of the most interesting developments during the year has been the emergence of the younger generation as a considerable, if obscure, force in politics. The District Council elections held in 1968 had led to the return of many young members who had no affiliation with the established parties, particularly with the reactionary Independent Forward *bloc* which was traditionally regarded as the predominant influence in the Hindu countryside. In March, for the municipal elections, which in Mauritian eyes come little below national elections in importance, the Government and the Opposition parties avoided any possibility of youthful voters again upsetting professional calculations by presenting agreed Lists of Candidates; this test of mutual confidence for the subsequent coalition nevertheless produced some surprise results, including the return for the first time of a known Communist. The extension of the life of the present Assembly to 1976 deprives the younger generation of any immediate influence in politics, and the present aim of the militant students and other youthful malcontents is to penetrate the trade unions, exploit economic inequalities and grievances and eventually to bring down the Government. They do not, however, constitute an immediate threat, for the trades unionist in settled employment is as conscious as the student in a Government secondary school that he is a member of the privileged establishment.

4. Mauritius has received three important visitors during the year: M. Debré, then French Foreign Minister, in March; the Right Hon. Reginald Prentice, M P, then Minister of Overseas Development, in August, and Her Royal Highness the Princess Alexandra and her husband in September. All three visits, which have formed the subject of separate reports to the Department, aroused a degree of interest and enthusiasm in their respective contexts, which reflects the preoccupation of the Mauritian with his peripheral position in world affairs and his need for reassurance that his uniqueness is appreciated.

5. The opening of a Soviet Embassy early in the year aroused misgivings in many Mauritians, and sections of the Press and public have been alert to discover signs of Soviet penetration. There has been plenty to attract their attention: a Soviet naval visit to Port Louis in April; the grounding of a Soviet sea-going tug in Mauritian waters off the dependency of St. Brandon, which had neither legitimate business nor prior authority to operate in the area; the increased use of Port Louis harbour facilities by Soviet scientific and fishing vessels; the conclusion of a protocol for Soviet/Mauritian co-operation in the fishing industry and the signing of a Soviet/Mauritian cultural agreement. There have also been Soviet requests through diplomatic channels to Mauritius to provide facilities for a satellite tracking station and for the recovery of astronauts.

6. During the year the French raised their Consulate to an Embassy, Soviet and Pakistan resident diplomatic Missions were opened, and the Netherlands, Switzerland and Japan accredited non-resident Ambassadors; in the international

field Mauritius joined the ECA, UPU, the International Telecommunication Union and Interpol. The Prime Minister also announced in Kinshasa in January that Mauritius was applying for membership of OCAM and had been accepted in principle by the organisation.

7. The Prime Minister has continued to indulge his propensity for overseas travel and during the year has visited Britain, France, the United States, Congo-Kinshasa, Madagascar and India. His Ministers are equally addicted to travel and the PMSD, having in Opposition bitterly criticised the frequent absences of Ministers and the useless expense of their world-wide travels, now that they have joined the Government show every sign of similar prodigality.

Commercial and industrial

8. The sugar crop, on which the economic fortunes of Mauritius so uniquely depend, did well in 1969. With favourable weather conditions later in the year, production rose to 668,000 tons from 596,549 in 1968, and world prices averaging £34·06 a ton for the first 11 months of the year have been most encouraging for the industry. Rationalisation within the industry proceeds slowly, however, and many of the 21 factories still operating in the island are below the minimum size viable in modern conditions, and the problems of bulk loading and transport have again been shelved.

9. Tea, the only other export of any importance to Mauritius, continues to command profitable prices on the South African market. It remains, however, of little importance on the international scene and the representatives of the 14 tea-producing countries who met in Mauritius in July to consider ways of stemming the downward trend in the world prices, required no contribution from Mauritius to their target of withdrawing 90 million pounds of black tea from the world market in 1970.

10. If the new industries established in 1969 have contributed little to providing employment and less to earning foreign exchange, they have not demonstrably added to expenditure on imports or (through the operation of quantitative restrictions designed to protect the infant industries) to local living costs. Unless the Government agrees, however, to modify the virtually complete monopoly of imported pharmaceuticals sought for one aspiring " manufacturer ", Mauritius will face a painful lesson in handling development controls. In the context of direct investment from overseas, negotiations involving the Kuwait Oil Company have begun for the establishment in Mauritius of a bunkering installation and possibly also of an oil refinery. A local British company, in association with Japanese interests, started operations in December with a Mauritius-registered fishing vessel of Japanese construction designed for long-line tuna fishing. It is intended to export some of the catch and to can the remainder. An Indian finance company has announced its intention of setting up a textile mill in Mauritius. Other projected enterprises include the production of knitted fabric, ladies' undergarments and plastics.

11. After Sir Seewoosagur had expressed at the Elysée his consciousness of the cultural and economic advantages of Mauritius' francophone connections and his particular interest in the possibilities of an economic grouping of Mauritius, Reunion, the Comor Islands and Madagascar, the visiting missions from France and Madagascar raised unduly high hopes. The exchange of visits by the Chambers of Commerce of Mauritius and Reunion also appear to have been disappointing. Sir Seewoosagur, in particular, who apparently believed that General de Gaulle had promised to meet the cost of an airport which would take jumbo jets and assure

the future of Mauritius' tourist industry, has received in fact nothing more than an elegant feasibility study which apparently recommends the IBRD as a suitable source of funds! It is a coincidence of note that the number of " amicales "—more or less officially sponsored societies for the promotion of friendly relations with a foreign country—set up in the year corresponds exactly with the number of major disappointments in the field of economic aid.

12. Air services to the island have been increased, to meet rising demand from tourists, by a weekly flight from Lusaka by Zambia Airways and another from Johannesburg, Durban and Tananarive operated by South African Airways on behalf of Air Madagascar. QANTAS have also announced their intention early in 1970 to operate twice-weekly return flights on the route Perth/Mauritius/Johannesburg instead of the existing weekly service. On the shipping side the continued closure of the Suez Canal has maintained shipping activity in Port Louis harbour at a high level. The French shipping line, Messageries Maritimes, announced that their monthly passenger service to Marseilles (the only remaining scheduled passenger service to Mauritius) will be discontinued in 1970.

Development aid

13. Britain continues to be by far the major source of aid. Following the report of the economic mission led by Mr. R. S. Porter in November/December 1968, there were meetings in London with representatives of the Mauritius Government to consider long-term aid. The first meeting took place in April but as the Mauritius Government was ill-prepared for detailed discussions on the basis of the Porter Report, Britain was able to provide only an interim loan of £1 million tied 66 per cent to United Kingdom imports. At the time of further meetings in July the Porter recommendations had been broadly accepted by the Mauritius Government, and there seemed to be sufficient indication of stability on current account to warrant the promise of aid on a longer-term basis. Britain therefore agreed to provide further loan funds of up to £5 million to be available from April 1970 on very soft terms with an additional provision that the tied proportion might be reviewed after the first year. Other British aid included £500,000 in food aid under the Rome Food Aid Convention.

14. The absence of a Public Sector Development Plan and the rundown of the Economic Planning Unit has meant that developments in the public sector are largely unco-ordinated and look no further than the current financial year. With these limitations, however, there have been developments of some promise. The contract for a new deep-water quay in Port Louis harbour was signed during the year and work began on this British-aided scheme. In the educational field, the university, which a year before existed in name only and was under strong criticism from most sectors of the community, under the leadership of its Mauritian Vice-Chancellor, has become a lively and self-confident institution. Much of the credit for this change must go to the British staff and visiting experts, including Sir Norman Alexander, who introduced imaginative direction and purpose to the academic and capital development programme.

15. Tea cultivation has expanded at a speed which reflects the strength of political pressure from Hindu smallholders rather than the requirements of good husbandry. In September a team of British experts visited the island and made wide-ranging recommendations for making the industry more productive and competitive. One of their recommendations was to cut by half the annual programme of new planting, thus bringing it into line with the present and forseeable

technical resources of the Agriculture Department. If Ministers follow this advice of the experts, take advantage of the facilities of the Kenya Tea Research Institute and make full use of the aid from IBRD and Britain which might then be expected, the quality and marketability of Mauritian tea (the only agricultural product of any consequence besides sugar) should be assured.

16. In August the Minister of Overseas Development, then Mr. Prentice, made a highly successful official visit to Mauritius acompanied by his wife and daughter. He toured most of our current aided projects and was guest-speaker at the opening ceremony of the Sir Seewoosagur Ramgoolam National Hospital. This hospital, built substantially with Colonial Development and Welfare funds, was opened, with due pomp and ceremony, by Sir Max Rosenheim, President of the Royal College of Physicians. Unfortunately the shortage of skilled staff has prevented the hospital from being put to full use since the opening ceremony. By the end of the year only three medical wards were open to the public but a 24-hour casualty service and an out-patients service had been established.

17. Around the beginning of August the Prime Minister, without prior warning, directed that educational television should be in existence by September—at any rate to the extent of providing lessons to help School Certificate candidates with revision. In the absence of preparation by the MBC, or indeed of experience of the problems involved, the result might have been disastrous. In fact, the united endeavours of a visiting expert from the Centre for Educational Television Overseas (CETO), the British Council and ODM, produced programmes that were generally of a high standard. The future of educational television now hangs in the balance and will rest to some extent on a review by a CETO expert in the spring of 1970 and his estimates of costs for a minimum (technically viable) operation. Whatever the technical and financial problems, the continuity of the service has become a matter of personal prestige with the Prime Minister and we may well be faced with a choice between leaving the field to our competitors or meeting extra expense to avoid involvement in under-capitalised operation.

18. With the exception of land and water resources surveys and milk and beef production investigations by United Nations agencies, the activities of other aid donors have made little practical impact. A few rice experts from Formosa and India were active during the year and American Peace Corps volunteers began to arrive at the end of the year. The French, having sent an impressive economic mission to Mauritius in March and having concluded a memorandum of intent on a technical assistance agreement during the visit of M. Debré, followed up with remarkably little. Even the agreement on technical assistance seems to have run into difficulties. The Soviet Government was credited unofficially with many aid offers but only the signature of a protocol on negotiations on possible assistance in the development of a fishing industry has any relevance and only presumably as a *quid pro quo* for " facilities " for Soviet vessels and aircraft.

Conclusion

19. In retrospect 1969 has on the whole been a more satisfactory year for Mauritius than most outside observers would have predicted. The financial year ended June 1969 closed with a modest surplus on current account; the acceptance of the Porter Report provides a blueprint for the development programme for the next few years and the agreement for United Kingdom loans of £1 million (interim) and £5 million (available from 1970) provide the basic finance for its implementation. On the political front increased internal stability has been achieved, at any rate over the short term, by the formation of the Government of National Unity. It can

be said, therefore, that during the year a modest foundation has been laid on which the Government can begin to build in 1970. This indeed I hope will be the case but the calibre of Ministers does not inspire much hope that progress will be as rapid and sustained as one could wish, and the situation demands.

I have, etc.,
A. WOOLLER.

Enclosure

Calendar of events in 1969

January

10 — 30 March announced as the date for the municipal elections.
28 — Prime Minister announced in Paris decision to seek membership of OCAM.
29 — Inauguration of Amicale Maurice-Madagascar.

February

10 — Prime Minister returned from visiting London for the Commonwealth Prime Ministers' Conference, Paris and Congo-Kinshasha for OCAM meeting.
21 — The Independence Party and PMSD announced that they would present agreed lists of candidates for the municipal elections.
22 — Four leading MLAs expelled from the PMSD for opposing the concordat over the municipal elections.

March

9 — The Independent Forward Bloc Ministers in the Independence Party Alliance announced that they would resign from the Government on 12 March.
10 — The Prime Minister dismissed the IFB Ministers from the Government.
12 — First anniversary of independence.
27 — M. Debré, French Foreign Minister, paid a six-hour visit to Mauritius.
30 — Municipal elections held.

April

3 — Three Soviet naval ships arrived on a five-day " friendly " visit.
19 — At the annual Labour Party Congress the Prime Minister revealed negotiations for coalition with PMSD and explained the dismissal of the IFB Ministers.
23 — Agreement reached in London financial talks on the interim Development Loan of £1 million.

May

4 — The (Roman Catholic and first Mauritian) Bishop of Port Louis enthroned.
5 — Mr. Duval, Leader of the Opposition, expressed opposition to Coalition at a public meeting in Port Louis.

June

4 — Mr. A. R. Mohamed, Leader of the Muslim Committee of Action, said his party would be faithful to their pledges given to the Labour Party.
9 — Mr. Duval, Leader of the Opposition, reiterated his refusal of a Coalition. The police took action to prevent a confrontation between MCA and PMSD supporters in Port Louis.
16 — Police used tear gas to disperse crowds after a football match.
24 — Prime Minister left on an official visit to Madagascar.
30 — Prime Minister left for London.

July

23 — International Tea Conference under FAO auspices opened at Reduit.
Agreement reached in London financial talks on development loan of £5 million available from April 1970.

August

12 Prime Minister returned from London and Paris.

18 The Right Hon. Reginald Prentice, Minister of Overseas Development, arrived on a two-week visit.

20 The Sir Seewoosagur Ramgoolam National Hospital opened by Sir Max Rosenheim, in the presence of the Minister for Overseas Development.

26 The Prime Minister and the Bishop of Port Louis made " Citizens of Honour " by the City of Port Louis.

27 A Soviet-Mauritius Protocol for establishment of a joint fishing industry signed.

September

1 Educational television programmes inaugurated.

12 Her Royal Highness Princess Alexandra and Mr. Angus Ogilvy arrived on a four-day visit as guests of the Mauritius Government.

16 The Prime Minister left for New York to attend the United Nations General Assembly.

17 Soviet-Mauritian cultural Agreement signed.

22 Mr. Yang, Vice-Minister of Foreign Affairs of the Republic of China (Taiwan), arrived in Mauritius.

23 Prime Minister in speech at the United Nations advocates entry of Peoples' Republic of China " but not to exclusion of Formosa ".

30 Official inauguration of Amicale Maurice-France.

October

7 Prime Minister on return from the United Nations announced that agreement had been reached on the formation of a Coalition Government.

22 Mr. Duval, on return from India, confirmed that agreement had been reached on a Coalition.

November

18 Constitutional amendments passed by the Legislative Assembly to increase the number of Ministers and prolong the life of the Assembly.

December

2 Government of National Unity formed.

9 The Prime Minister and Duval, Minister for External Affairs, left for India on an official visit.

22 Letters exchanged covering the interim British loan of £1 million.

29 Constitution of Alliance Culturelle de l'Océan Indien (ACOI).